

**D·R·HORTON** DRI NYSE  
*America's Builder*  
**SCHULER DIVISION**

August 2, 2011

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2011 AUG -3 AM 7:12

City Council Budget Committee  
City and County of Honolulu  
Honolulu Hale  
Honolulu, HI 96813

RE: Bill 44(2011), CD2 RELATING TO REAL PROPERTY TAXATION OF AGRICULTURAL LANDS

Dear Chair Kobayashi and Budget Committee members:

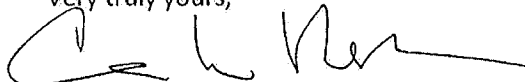
On behalf of D.R. Horton Schuler Homes, I would like to express our **SUPPORT** FOR Bill 44(2011) CD2.

The existing law and the prior version of this bill would not allow us or any land owner to attempt to voluntarily reclassify or rezone their land during the term of an agricultural dedication for Real Property Tax purposes. This was not a big issue with the existing law, which allowed for 1 year dedications, as one could simply end their dedication and then attempt to reclassify or rezone. However, the proposed Bill 44 (2011) eliminates one year dedications, and with that, our farmer tenants could no longer apply for agricultural dedications since we are in the process of seeking a change to our land use classification.

The practical impact of disallowing agriculture dedications on land being rezoned or reclassified is the current farming tenants on our lands would realize dramatic increases in real property taxes as it is an expense paid by the lessee. For example, one of our current farming tenants would see his real property tax bill increase from approximately \$23,000 to almost \$300,000 because we could not dedicate our planned development areas for five years. We work very closely with our farming tenants and make every attempt to ensure they can operate a profitable business, but a significant tax increase would be difficult for them to absorb.

Bill 44 (2011) CD2 strikes a balance between the interests of lands that are to be developed and our farming tenants by allowing for five year dedications with withdrawal rights. We believe the current version is fair and will undoubtedly help to ensure that farmers can continue to profitably farm our lands for many years to come without the threat of a significantly increased real property tax bill.

Very truly yours,



Cameron W. Nekota  
Vice President

MISC. COM. 1404

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